## POST OFFICE LTD.

| **Title:** | Speak Up Assurance Review | **Report Date:** | 05/07/2023 |
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## Executive Summary

### Background

Group Assurance have performed a review of Post Office's Speak Up function's (previously known as Whistleblowing) processes and procedures to assess the robustness of their control environment. The Speak Up Policy Sponsor (Group General Counsel) and Owner (Head of CIU with the support of Group Legal Director) are accountable for the implementation of controls ensuring POL meets its Speak Up obligations.

The Speak Up team was established approximately 18 months ago and comprises a Speak Up manager, an analyst, and two full-time investigators. During this period, the team have invested heavily in reviewing and updating their processes and procedures. The team have also introduced monitoring dashboards for Speak Up which is reported to Group Executives and Board members on a monthly basis. The Speak up function is governed by two key policies - the Speak up Policy and Group Investigations Policy and processes are documented in the Investigations manual.

### Scope & Approach

The core objective of the review was to assess the level of Speak Up process compliance, especially when dealing with Speak Up cases, to ensure that these cases are not only being dealt with in a consistent and fair manner, but that this can also be evidenced.

We selected a sample of 10 Speak Up cases (raised between April 2022 – January 2023) and our scope included the objective assessment of:

- The Speak Up policies and procedures, and levels of compliance
- Security and access of 'Speak Up' data – especially maintaining confidentiality/anonymity
- Effectiveness of Speak Up communications
- Speak Up monitoring and governance
- Effectiveness of Speak Up training

This review was performed during April and June 2023, and therefore our opinions and comments reflect the state of the control environment during this period.

Please refer to **Appendix 1** for a breakdown and status of the cases selected.

Scope exclusions –

- A review of processes and controls at Convercent (external provider of Speak Up)
- Assessment of POL wider controls for data access and security
- Assessment of how Speak cases, if triaged, to the wider business functions
- Assessment of Speak Up and its take up or perception within the Postmaster community.
- The effectiveness and monitoring of any Speak Up or CIU related actions/recommendations

### Assurance Opinion

The Speak Up Team constructively engaged and supported the Assurance Team throughout this review. It was overtly evident that the behaviours and culture embedded within this team is that of transparency and

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ensuring they deliver the right outcomes in the right way. Whilst being a relatively new team, they are embedding robust processes and procedures, and have a culture of continuous improvement.

Whilst we have identified six improvement opportunities predominantly within Speak Up processes and procedures, which the team are in the process of remediating, the overall control environment is fit for purpose, and we have rated this review as:

| | |
|---|---|
| **Satisfactory** | **The framework of governance, risk management and control is adequate and effective.** |

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Detailed observations

1. **Speak Up Process and procedures – Some improvement needed**

The Speak Up team have demonstrated a very high level of compliance with the current Speak Up procedures and processes, some key areas are summarised below:

a) Anonymity and communication between the reporter and investigator were maintained throughout the investigations, where applicable.

b) For cases that were passed to other areas of the business, there was a clear handover process between the Speak Up team and the relevant business area.

c) All Speak Up data is managed, stored, and accessed via Convercent and the Speak Up SharePoint site, and access is managed by the Central Investigations Unit (CIU). Access is approved and authorised through the Head of Central Investigations Unit and restricted to purposes such as assurance or audits.

d) The cases which have been closed were documented consistently and where there were cases of a high severity nature these had a planned investigation approach in place, maintained with high anonymity and closed with recommendations.

e) All employees including Postmasters are provided with several channels to raise Speak up concerns this includes:

- The POL Speak Up mailbox (viewed only by Speak Up team)

- Reporting via the Speak Up web portal operated by Convercent (a third-party)

- The Convercent hotline

- Internal reporting (e.g., a line manager)

f) The triage process flow map for Speak Up is documented in the investigations manual and this provides a structured approach to assessing what type of investigation is required and who should the case be investigated.

g) The Speak Up team have now implemented after the external assurance work done by EY a process where they send a feedback form asking the reporter for feedback on how their case was handled, this is done via the route the report was originally made from. To date no feedback has been received.

Some improvement opportunities were identified, and these are summarised below:

| No. | Action | Owner | Completion Date |
|---|---|---|---|
| 1 | The head of CIU should monitor on a regular basis who has access to Convercent and SharePoint site/data. | John Bartlett – Head of CIU | 14th July 2023 |
| 2 | A separate Speak Up process flow map to be created and included into the Investigations Manual. | Claire Hamilton - Speak Up and Intelligence Manager | 31st August 2023 |
| 3 | The Speak Up process flows need to document: the hand off processes for cases referred to other parts of the business for instance to employee relations and People team. | Claire Hamilton - Speak up and Intelligence Manager | 31st August 2023 |
| 4 | The Speak Up process flows need to document and clarify the 'when and how' the Head of CIU intervenes and the sign off process. | Claire Hamilton - Speak up and Intelligence Manager | 31st August 2023 |

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2. **Speak Up communications – No material exceptions noted**

a) **POL internal intranet (SharePoint)**

There have been 392 views on the Speak Up Intranet site as of 5th June 2023, and the Speak Up and Intelligence Manager is progressing, at the time of fieldwork, a communications plan where regular reminders will be sent across POL using the 'One' email platform.

b) **POL external Speak Up website**

This is in the process of being changed and updated by the Speak Up and Intelligence Manager and should be completed by end of July 2023.

c) **POL internal Communication**

Speak Up is communicated across the business through the Intranet Hub, Annual Compliance training and One comms emails. There is also continuous awareness of Speak Up to our postmasters such as the event held through the NFSP and is also included into postmasters' induction training.

Some improvement opportunities were identified, and these are summarised below:

| No. | Action | Owner | Completion Date |
|-----|--------|-------|-----------------|
| 5 | Whilst the SharePoint site has been updated the link to the new Speak Up policy (approved by the ARC during fieldwork) needs to be updated and reference to Whistleblowing Policy removed. | Claire Hamilton - Speak up and Intelligence Manager | Completed on 13th June 2023 |
| 6 | POL external Speak Up website - is in the process of being changed and updated | Claire Hamilton - Speak up and Intelligence Manager | Within 4 months from 6th June 2023 |

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3. **Speak Up – Governance and first line assurance – No exceptions noted**

   a) There are monthly MI reports on Speak Up, and since February 2023 the MI reports also include the Quality Review outcomes. The MI reports are distributed to GE, Board members, Group General Counsel and Legal (Non sensitive – GE and Board members; and sensitive – Group General Counsel and Legal Director). When a Speak Up NED has been appointed, they will have oversight of all MI reports produced.

   The GE Dashboard is circulated monthly and incorporates **speak up cases which shows** a summary of all cases reported, channels they were reported through, the severity, and their status (open/closed).

   b) The current Speak up policy was approved by ARC on 16th May 2023 and is reviewed, updated, and approved annually by RCC and ARC.

   c) The Senior Investigation Managers within CIU Team also perform a Quality Assurance review to ensure that the Speak Up team are complying with policies and procedures.

   d) External firms such as EY have also conducted a review of the Speak Up function.   EY's observation documented that each area of Speak Up is based on well-established processes and procedures but have made observations and recommendations to enhance these further.   These have been either adopted already or are planned to be incorporated.

4. **Speak Up training – No exceptions identified**

Speak Up training, at induction and then annually, is compulsory for all employees and Postmasters. The last Speak Up training was rolled out on 7th March 2022 and the current refresher training is scheduled for 1st September 2023. As of 22nd May 2023, the completion rate for Speak up refresher training for 2022 was 99.2%.

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## Appendix 1 - 10 Speak Up sample

All 10 Speak Up reviewed were identified as 'PIDA' (Public Interest Disclosure Act) cases, i.e., reportable concerns made by POL employees.

The status of these cases, at the time of fieldwork, are summarised below:

- 4 Cases - Closed due to no further information or contact from the reporter

- 1 Case - Closed with intervention from industrial relations and union

- 3 Cases - Passed to Employee Relations

- 1 Case - Passed to People Team

- 1 Case - Investigated by Speak up team and closed with recommendations

## Appendix 2 – Opinion Definitions

| Rating | Description |
|---|---|
| Satisfactory | The framework of governance, risk management and control is adequate and effective. |
| Needs Improvement | Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. |
| Needs Significant Improvement | There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective. |
| Unsatisfactory | There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail. |

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